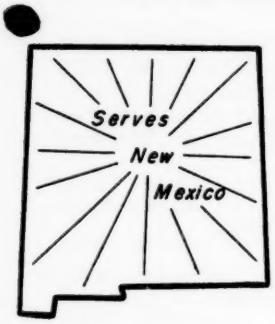
NEW MEXICO BUSINESS



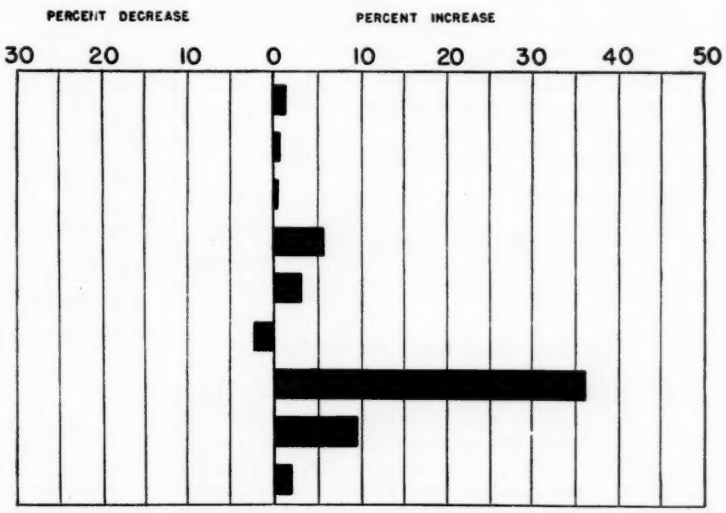
A Monthly Review of Business Conditions in New Mexico

BUREAU OF BUSINESS RESEARCH
COLLEGE OF BUSINESS ADMINISTRATION
UNIVERSITY OF NEW MEXICO

Vol. 6 SEPTEMBER, 1953 No. 9

New Mexico Business at a Glance

July 1953 Compared With June 1953



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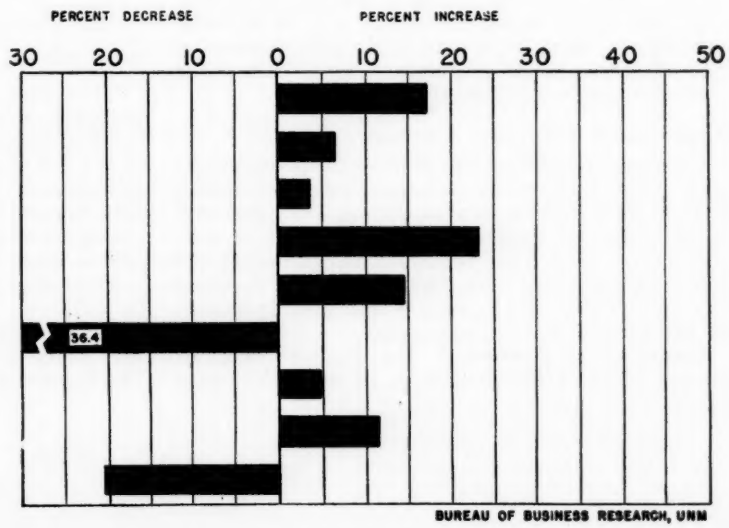

New Mexico Business
Published Monthly By The
BUREAU OF BUSINESS RESEARCH
COLLEGE OF BUSINESS ADMINISTRATION
University of New Mexico
Albuquerque

Subscription Price Two Dollars Per Year

Entered as second-class matter January 31, 1949, at the post office at Albuquerque, New Mexico, under the act of August 24, 1912.

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Recent Business Activity

The national business press has lately been viewing with alarm the outlook for business next year. Inventories are accumulating, back orders are declining, capital expenditures threaten to fall from their record high, and federal government spending is dropping. Other economic indicators are also settling back to more normal levels and relationships. Such omens should not be ignored, but the one thing that confounds the prophets is that consumer spending remains high. They know that consumers call the tune for business.

Employment Continues Upward

Consumers' incomes and spending depend largely upon their employment, and employment continues to rise. Here in New Mexico during 1953 the level of employment has averaged about 5 per cent above 1952. Since 1948 the State has gained 44,650 additional nonfarm jobs. This 34 per cent increase has occurrred while the nation was gaining a mere 12 per cent.

Manufacturing showed the fastest *rate* of growth of any single industry. Its numerical gain of 7,500 workers was exceeded by two other groups: government with 12,200 and trade with 9,650. But their rates of growth—46 and 31 per cent respectively—were far behind the 77 per cent gain in manufacturing.

This rapid increase doesn't mean that the State has suddenly become an industrial area. By comparison with the United States, the proportion of New Mexico's workers engaged in manufacturing seems puny, as can be seen from the following comparison.

	New Mexico	United States
Gain in total nonagricultural employment 1948 to 1953	34.1%	11.9%
Gain in manufacturing employment 1948 to 1953	76.5%	13.7%
Proportion of nonagricultural employment in manufacturing, June 1953	9.9%	34.8%

Even though New Mexico's manufacturing doesn't look big by comparison, the growth *is* impressive—enough so to raise the question: what has happened?

Manufacturing Gains

A glance at the following table shows that nearly 90 per cent of the gain in manufacturing has been in durable goods. It shows also that the increase in "other durable" goods manufacturing accounts for the important gains for all manufacturing. Although the other durable goods group includes a variety of establishments, it also includes AEC's Sandia Laboratory. And Sandia Corporation, which operates the Laboratory, recently announced that some 5,300 workers are on its payroll, over one-third of them scientists and engineers.

MANUFACTURING EMPLOYMENT IN NEW MEXICO
July, 1948 and 1953

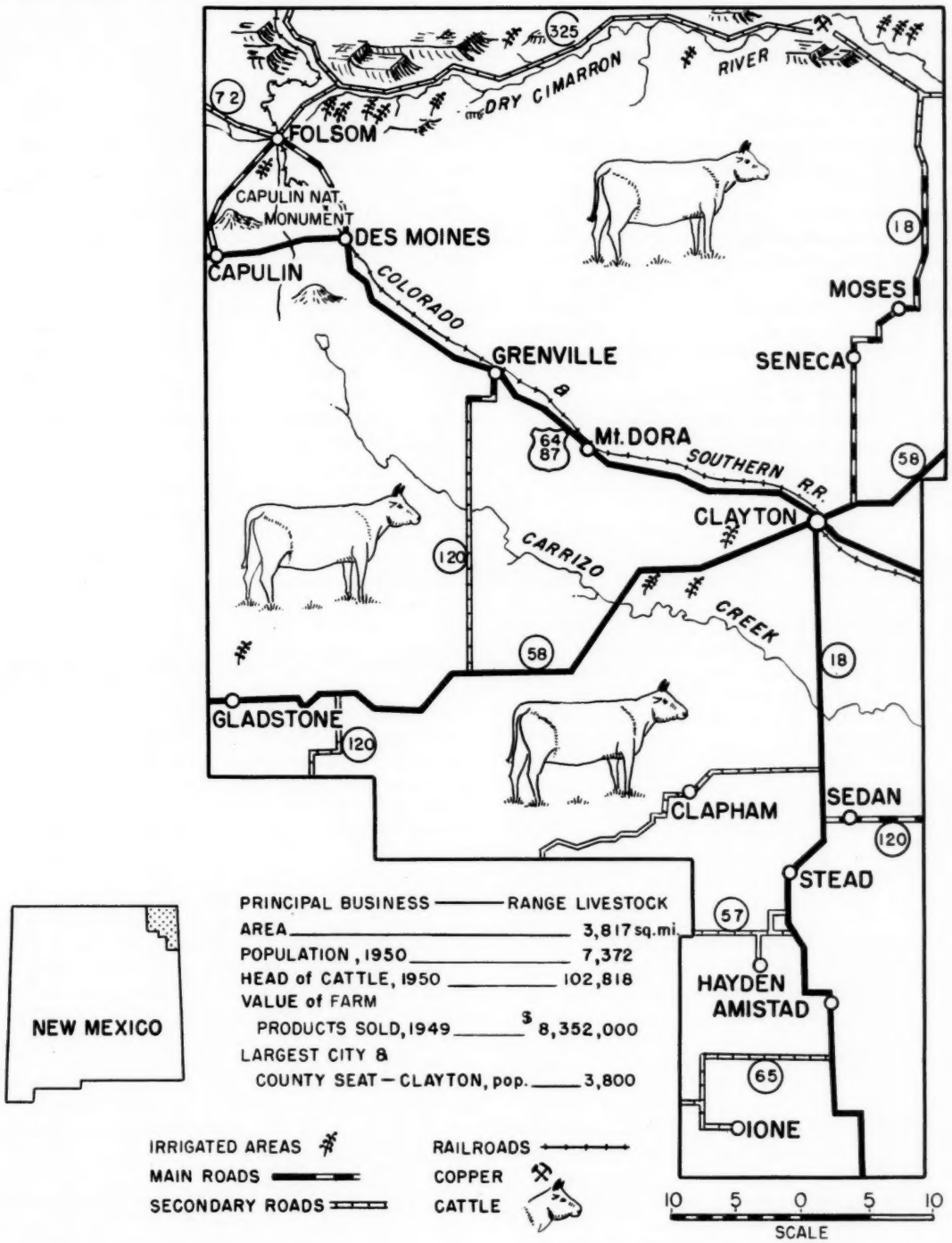
	1948	1953	Change Number	Change Percent
Total Manufacturing	9,800	17,300	7,500	77
Durable Goods	4,350	10,700	6,350	146
Lumber	3,150	2,600	—500	—17
Other Durable	1,200	8,100	6,900	575
Nondurable Goods	5,450	6,600	1,150	21
Food	2,050	2,300	250	12
Chemicals	1,550	2,200	650	42
Other Nondurable	1,850	2,100	250	14

Source: N.M. Employment Security Commission

Thus more than 70 per cent of our increase in manufacturing jobs is directly attributable to Sandia. This new industry has created other jobs in the State, too. During the five years since 1948 government jobs gained proportionately more in New Mexico than in the nation as a whole. Perhaps one-third of these *new* government jobs depend on atomic energy activities.

This does not include the research scientists in uniform, whose numbers perhaps rival the civilians. The Special Weapons Center at Kirtland Air Force Base alone has over 5,000 personnel. The Center is purely a research and development

UNION COUNTY NEW MEXICO



PRINCIPAL BUSINESS	RANGE LIVESTOCK
AREA	3,817 sq. mi.
POPULATION, 1950	7,372
HEAD of CATTLE, 1950	102,818
VALUE of FARM PRODUCTS SOLD, 1949	$ 8,352,000
LARGEST CITY & COUNTY SEAT — CLAYTON, pop.	3,800

IRRIGATED AREAS
MAIN ROADS
SECONDARY ROADS
RAILROADS
COPPER
CATTLE

BUSINESS BACKGROUNDS

No. 2. SEPTEMBER, 1953. Price 20c.

Bureau of Business Research
University of New Mexico.

1. **POPULATION CHARACTERISTICS**

	1930	1940	1950	1953*
Population	11,036	9,095	7,372	7,200
Per cent change (from preceding date)	- 33.8	- 17.6	- 18.9	- 6.2
Persons per sq. mi.	2.9	2.4	1.9	1.9
Urban population	2,518	3,188	3,515	3,450
Rural non-farm population	1,786	1,596	1,039	1,050
Rural farm population	6,732	4,311	2,818	2,700
Persons with Spanish surname	na	na	1,620	na
Indian population	11	na	0	0
Persons under 5 yrs.	1,354	995	883	860
Persons 10 yrs. and older	8,318	7,150	5,681	na
Persons 65 yrs. and older	490	582	574	na
Median age (years)	na	na	25.3	na
Persons 14 yrs. and older	7,115	6,372	5,052	na
In labor force	na	3,136	2,542	na
In civilian labor force	na	na	2,539	na
Employed	na	2,402	2,449	2,250
Gainfully employed (10 yrs. or older)	3,747	na	na	na
Per cent of (civilian) labor force employed	na	76.6	96.3	na

2. **EMPLOYMENT**

	1940		1950		1953*	
	Number	Per Cent	Number	Per Cent	Number	Per Cent
Employed	2,402	100.0	2,449	100.0	2,250	100.0
Agriculture	1,164	48.5	1,017	41.5	900	40.0
Construction	112	4.7	146	6.0	290	12.9
Manufacturing	28	1.2	23	.9	20	.9
Printing and Publishing	11	---	10	---	10	---
Railroads and Railway Express	56	2.3	30	1.2	30	1.3
Other Transportation	61	2.5	94	3.8	90	4.0
Communications, Utilities	57	2.4	59	2.4	60	2.7
Wholesale Trade	44	1.8	19	.8	30	1.3
Retail Trade	288	12.0	304	12.4	230	10.2
Finance, Insur., Real Estate	28	1.2	36	1.5	35	1.6
Business, Repair Services	41	1.7	60	2.5	50	2.2
Personal Services	140	5.8	135	5.5	130	5.8
Entertainment	14	.6	15	.6	15	.7
Professional Services	231	9.6	195	8.0	160	7.1
Public Administration	106	4.4	117	4.8	120	5.3
Not Classified	32	1.3	199	8.1	90	4.0
Type of Worker						
Wage and Salary	1,301	54.2	1,412	57.7	na	na
Private	na	---	1,118	45.7	na	na
Government	na	---	294	12.0	na	na
Self-employed	1,021	42.5	953	38.9	na	na
Unpaid Family	80	2.3	84	3.4	na	na

*Estimated by Bureau of Business Research. All other data from official sources which may be had on request to the Bureau.

UNION COUNTY -- A BUSINESS BACKGROUND

Union county in the northeast corner of New Mexico, bordering Colorado, Oklahoma, and Texas, is typical High Plains country. Ranching is Union's business, and in normal times it exceeds all other counties in the State in number of livestock on the range. Union is a big county, 3,817 square miles, three-quarters the area of Connecticut. But this great stretch of rangeland is only average size for a county in New Mexico, almost exactly the average size of the 32 counties, in fact.

Ranching here is both an old and a new business. Settlers moved in after the Civil War, mostly from central New Mexico, to occupy the Plains when the grip of the Indians on that country was broken. Little heed was paid to land titles by these first settlers, many of whom were Spanish speaking. They used the open range on a first-come first-served basis.

The days of the open range were short lived in most parts of the West, and Union county was no exception. Starting about 1905 the county was heavily settled by homesteaders whose legal title to their claims took precedence over the traditional use of the early settlers.

By 1920 the county's population was 16,680, about triple the 1900 figure. The newcomers were small landholders with claims of 320 or 640 acres. And most of them were poor. They lacked enough land and capital to ranch successfully. Of necessity they took up dry farming, plowed the virgin grassland, and planted crops.

Union county averages about 16 inches of rainfall annually, but the amount varies, sometimes drastically, from year to year. Some years the dry farmers made harvests, some years not. It gradually became clear that the county was not an ideal farming area. But no better native grassland could be found in North America. Inevitably the too-small, too-dry farms gave way to larger ranches. Today the average size of landholdings in Union county is 3,400 acres. Most of the county is in grass, although a few determined farming communities still survive.

In the process of reconverting to grassland Union county has steadily lost population, as Table 1 shows, until today it numbers about 7,200. An area which is losing people is often considered economically depressed, but Union county is a basically prosperous region. "The only wealth in this county is grama grass and buffalo grass," an experienced resident says. Grass of course makes beef, and beef makes money. In 1945 the value of livestock sold from Union county ranches was $2,600,000. By 1950 this figure had risen to $6,800,000.

While the rural population has declined, the rate of decline is leveling off because the shift from dryfarming to ranching has been mostly completed. The county is achieving a stable population.

Some of the people who left the land stayed in the county. For example, in the decade from 1940 to 1950 the urban population, concentrated in the county seat of Clayton, increased 10 per cent. Today about half the people in the county live in Clayton, which is the shopping and distributing center for a large area in nearby Texas and Oklahoma, as well as for Union county.

EMPLOYMENT

During the forties when 19 per cent of the population left the county, the number of jobs in the county actually increased from 2,402 to 2,449, as shown in Table 2. The slight decline in jobs from 1950 to 1953 was due in part to a combination of three-year drought and falling farm prices.

In 1940 farm and ranch jobs made up 48.5 per cent of all work in the county. By 1953 this type of work accounted only for an estimated 40 per cent of Union county's employment. Some of this decline represents the final stages of the shift from an uncertain dry-farming economy to the more conservative ranching that is typical of the county today, and which requires less manpower per acre. The decline also reflects the generally increased efficiency of American agriculture, producing more with fewer workers.

The decline in retail trade employment from 1950 to 1953, shown in Table 2, seems entirely due to the temporary drought-and-price depression in cattle, since retail jobs increased during the favorable years 1940 to 1950, and should pick up again when the cattle business improves.

From April 1950 to April 1952, 119 business establishments in the county contributed to the State unemployment compensation program. During that period their employees decreased by 67, mostly in retail businesses. The average weekly earnings of workers in the county covered by unemployment insurance rose from $38 to $47 during that two year period. Much of this increase represents Korean-war inflation, but the pay rises do show that standards of living were maintained for the workers who were retained, even

though the cattle business began declining in those years.

The loss of jobs in railroads, while unimportant numerically, is probably permanent. Diesel locomotives with their diminished maintenance and labor requirements have caused a similar slump in railroad employment in other New Mexico communities. As railroad jobs dropped off, other forms of transportation took up the slack in Union county.

While construction work showed strong gains in recent years, jobs in this category may drop to a more normal figure soon, in line with expectations for New Mexico in general.

Behind these changes in job categories is a more important shift. From 1940 to 1950 male employment in the county dropped 2.8 per cent, from 2,039 to 1,983, while the number of women working increased 28.4 per cent, from 363 to 466. Fewer men were needed on the land, while the growing prosperity opened store clerking jobs and other clerical and office work for women. The great increase in government workers for the decade, from 106 to 294, undoubtedly made more jobs for women than it did for men.

HOUSING

Like most of the rest of New Mexico, Union county has a solid development of modern housing for part of its population, and a backlog of substandard housing where room exists for improvement. Table 3 suggests a comfortable margin of empty housing for the county, but many of the vacancies are abandoned and dilapidated farm houses.

In some respects housing improvement has been rapid in recent years. Homes with radios increased from 59 per cent in 1940 to 89 per cent in 1950. Homes with mechanical refrigeration grew from 18 per cent of the total in 1940 to 58 per cent in 1950.

Further improvement in housing will depend on revival of cattle prosperity, and on the degree to which that prosperity is spread among the residents of the county. Much Union county land is owned by a few individuals who command large incomes in good cattle years. However as long as wage and salary workers can find better jobs by leaving the county, incomes of landless workers should compare fairly well with wages paid in larger cities, and housing improvement should make good gains in favorable cattle years.

Table 4 shows the educational levels in Union county in 1950, but it does not show the impressive rise in these levels from 1940 to 1950. In 1940, of county residents over 25 years old, 23 per cent had completed only four years or less of school. For 1950 this figure had dropped to 13 per cent. In 1940 only 10.5 per cent of those over 25 had completed four years of highschool, while in 1950 this figure had risen to more than 19 per cent. Residents often point out that while Union county is heavily specialized for livestock production it has available a well-educated population capable of manning small factories. Table 4 bears this out. Any development of industry would help keep people in the county, and would in effect conserve the local investment in education.

THE LAND

To consolidate holdings, the Federal government has traded much of its Union county land to the State in exchange for State land in certain other counties. Therefore only 3 per cent of Union county's land belongs to the Federal government, compared with 42.5 per cent for all of New Mexico. Twenty-one per cent of the county is State land, compared with 16 per cent for the entire State.

Abandoned and unused land in Union county amounts to no more than 5 per cent of the total area. From 1940 to 1950 there was no important change in the amount of land used, but the average size of landholdings changed considerably.

In 1940 the county had 1,035 farms and ranches, averaging 2,389 acres. In 1945 the number of farms had dropped to 818, with an average size of 2,642 acres, and by 1950 the 730 remaining farms averaged 3,400 acres each.

Nearly all of these holdings were in grassland by 1950. Although cropland, both dry and irrigated, amounted to about 100,000 acres, pastured land amounted to 2,300,000 acres. With slightly over 100,000 cattle on the range, this meant a carrying ratio of about one head of livestock to 20 acres of land.

The diminished number of landholders is a pointed reminder of the decline of farming and the growth of ranching. However, when a Union county farm is diverted from crops to grazing, it must first be returned to grass, but it takes a long time for grass to re-establish itself, and while some abandoned farms in Union county are being treated this way, many progressive owners are speeding the process by re-seeding. The Soil Conservation Service considers re-seeding one of its important activities in the county, and has the process worked out on an economical basis.

Nearly all the land in Union county is included in a Soil Conservation District, and in the last 12 years 24,770 acres of privately owned land in the district has been re-seeded to native grasses. Almost as much (23,000 acres) Federal land which was once plowed up has also been re-seeded.

Ideally, re-seeding should be done the first year after cultivation, so the seed can be sown in the stubble of the previous year's crop, and thus be protected against blowing until the grass comes up. If rains are reasonably good, the re-seeded

land can be grazed the third year, by which time it furnishes as much grass as unplowed range land.

Most of the re-seeding is with native grama grass. The seed is harvested by the cooperating farmers of the Soil Conservation District, and used locally. In 1952 re-seeding in Union county cost $4.50 an acre, up from an average cost of $3.00 per acre in earlier years. The increased cost was due to drought damage to the seed crop of native grass.

The cost of re-seeding is especially interesting compared with land values. Residents report that even in the early forties Union county range land was selling for $1 to $1.50 an acre. At the height of the recent cattle boom some ranches sold for $30 an acre; in August 1953 an offer of $18 an acre was reported by one rancher. In some parts of New Mexico the cost of re-grassing abused rangeland would be more than the land is worth, but obviously in Union county re-seeding is economically desirable.

In the opinion of established ranchers the great jump in land values in recent years includes some undue inflation. Wealthy individuals with no experience in ranching have entered the market and bid the price up. Under such conditions it is difficult to determine a "true" value of land.

IRRIGATION POSSIBILITIES

The nature of the vegetation and rainfall indicates that ranching will always be the basic agricultural activity in Union county. In a few favorable localities, however, irrigated farming has become established. A question of great interest is whether irrigation could be developed further.

At present somewhere between 12 and 20 square miles of the county is irrigated, and probably three-quarters of this is located along the Dry Cimarron River near the northern boundary. These areas raise hay and alfalfa seed, much of which is marketed in the Rocky Ford, Colorado region.

The remaining irrigation is from deep wells pumping 100 gallons and more a minute. These wells are located in several parts of the county although they are commonest near the eastern boundary. Just across the State line in Texas some fairly large scale deep well irrigation has been developed.

A deep well pumping only 100 gallons a minute might be useful to a farmer, but would also be disappointing. For effective irrigation 1,000 gallons a minute makes more sense. One well drilled recently in the county pumps 1,200 gallons from a depth of 200 feet. This well cost about $5,000 including drilling costs, pump, and casing, which appears to be a representative figure.

Most of the deep wells sunk so far belong to dry farmers who are hoping to stabilize their operations. A well is often hard to finance, but a successful one can considerably increase the value of the land. If more deep wells are developed, the character of agriculture in the county may change again. During the summer of 1953 a field party of geologists from the State Bureau of Mines in Socorro made a survey of ground water in Union county. When the results are published, county residents should know more about the future possibilities of deep well irrigation.

Not only is irrigation uncommon in Union county, it is different in scale from irrigation in other parts of the State. In 1949 the 26 wholly irrigated farms in Union county averaged 206 acres per farm. Over 10,600 farms in the entire state were wholly irrigated, and they averaged 53 acres apiece, about one-fourth the average Union county acreage.

DAIRYING

In addition to range livestock Union county has a small dairying industry which may expand in the future if markets for its products are developed. At present dairying is located within 40 miles of Clayton where 26 herds are producing fluid milk and numerous small herds are producing cream. The value of dairy products is estimated by the county agent at $500,000 a year, and most of this is marketed in the Borger-Amarillo area.

INCOME

Reflecting the distribution of employment, agriculture provides the big share of income in the county. The average value of farm products sold or used on the farm in Union county in 1939 was $1,937 per farm. By 1949 the average value of products per farm had risen to $11,441, with fewer farms reporting, of course. The total value of farm products sold in 1949 was $8,400,000, of which livestock accounted for $6,900,000, crops for $1,300,000, and dairy products for $100,000. Crops include the value of hay harvested for use in livestock operations. Livestock, therefore, are the source of nearly all of the income in the county.

The distribution of this income among farms reflects the pattern of land ownership in the county, which is divided into a comparatively few large ranches, plus many smaller holdings. Of 730 farms reporting in 1950, 273 (37 per cent) sold products worth $6,000 or more. That year 163 farms sold products worth $10,000 or more. The high incomes of this group accounted for the high average value of products per farm.

In 1949, 2,055 families and unrelated individuals had incomes in Union county. While nearly 8 per cent of these had incomes over $7,000, nearly half had incomes under $2,000. This is generally

in keeping with income distribution throughout the State, although Statewide a smaller proportion of incomes are in the higher brackets, and more are in the middle brackets than in Union county.

TRADE

Trade in Union county is sensitively geared to the prospects and returns of the livestock business. As Table 7 shows, trade was down in 1952 compared with 1948. The drought and price decline of cattle was well under way in 1952, although the worst developments appeared in 1953. Because of fluctuations like these it is impossible to pick any single year as representative for trade in Union county. The figures given in the table do suggest the high purchasing power of county residents in favorable years.

COMMUNICATIONS AND UTILITIES

The sparse population of Union county, at present less than two persons per square mile, might lead to the conclusion that the county is poorly supplied with communications facilities. On the contrary, due to favorable locational factors, communications are well developed. Two weekly newspapers and a radio station are the principal local media of mass communication. Clayton, Des Moines, and Folsom are located on the Burlington Railroad line from Denver to Amarillo and Ft. Worth, which means that more than half the population of the county has direct access to a major railway. The county has one telephone for every eight residents (a total of 910 phones) which is good coverage for the population density. Rural telephones total 129.

The county is also crossed by inter-state communications lines. Western Union has 522 miles of line, and A. T. &T. has 537 miles. Mountain States Telephone has 1, 474 miles, including both rural and urban connections.

The flat to gently rolling terrain has facilitated road construction, and although the vast majority of farm-to-market roads are unimproved, the open climate puts relatively little handicap on the users. In 1950 the average distance of Union county farms to trading centers was 24 miles, and the average distance over dirt or unimproved roads was 14.7 miles. For the State as a whole the average distance farm to market was 13 miles, of which 5 miles was over dirt or unimproved roads.

Rural electrification is exceedingly well developed. The Southwestern Electric Cooperative (REA) with offices in Clayton serves Union county and also adjoining areas of Quay and Harding counties and nearby parts of Texas and Oklahoma. The Cooperative serves 825 customers, embracing 98 per cent of its area. Twenty-six potential members remain to be served. Average monthly electric bills for Union county farms as reported in 1950 were somewhat high, $9.83, compared with average bills for farms in the entire State of $8.26. The difference is probably due to the greater distances between customers in Union county.

When Union county residents seek the services of larger cities, they are likely to turn to Denver or Amarillo, both easy of access by railroad and highway. These two cities are closely tied to Union county by preference based on long acquaintance.

COUNTY FINANCES

Union county has had virtually no tax delinquencies in recent years. The 1952-53 county budget is shown below on a per capita basis, compared with per capita average figures for all counties in the State:

REVENUES AND EXPENDITURES

	Union County	State
Total revenues	$14.06	$12.24
Property tax	7.42	4.68
Motor vehicle	2.71	2.27
Licenses, fees	.82	1.00
Miscellaneous	1.33	1.29
Total expenditures	$14.06	$12.24
Gen'l. operating	6.73	4.26
Courts	1.31	1.03
Roads	3.35	3.69
Agriculture	.59	.25
Buildings	.14	.24
Indigent	.04	.21
Health	1.91	1.21
Miscellaneous	---	.60

The bedrock of county revenues is range land, which is uniformly assessed at $1.50 an acre. Two years ago the county carried more than $2 million worth of range livestock on the tax rolls, but this year the assessor estimates the assessed value of cattle will be no more than $1/2 million. Yet he is collecting more revenue now than three years ago, with fewer taxpayers. This is good evidence of the essentially sound financial condition of the county, despite ups and downs in cattle.

If further evidence of solvency is needed, a glance at bank deposits should suffice. In 1932 deposits in the county were $500,000. Today they are $5.3 million, with a considerably smaller population. During the recent decline in cattle, bank deposits have not suffered. In 1948, for example, deposits totaled $4.5 million; in 1952 they were $4.7 million.

3. HOUSING

Number of dwelling units 1950	2,306
Per cent of total	
Built 1940-50	20.0
Dilapidated	16.6
With hot and cold water inside	51.7
With installed bath or shower	52.4
With electric lights	75.6
Occupied dwelling units 1950	2,048
Per cent of total	
Connected to utility gas	41.6
With central heating	12.8
With mechanical refrigeration	57.8
With radio	88.7
Principal fuel - natural gas	
Per cent of occupied units	41.6
Owner occupied units 1950	1,304
Per cent of total occupied units	63.7
Median value (non-farm)	$4,361
Per cent mortgaged (non-farm)	17.0
Renter-occupied units 1950	744
Per cent of total occupied units	36.3
Median gross monthly rental (non-farm)	$ 35.50

4. EDUCATION

Population aged 6-17 yrs. 1950	1,850
School enrollment " "	1,685
Population 25 yrs. and older "	
Per cent completed grade school	23.2
" " " high school	19.4
" " " college	4.9
Median school yrs. completed	9.0
Student/teacher ratio 1951-52	24.5
Current expenditures per student (public schools only) 1951-52	$ 279.49

5. TRADE

	1948	1952*
Retail store sales (000's)	$6,241	$5,596
Apparel stores	463	196
Automotive dealers	1,598	1,388
Food stores	1,176	1,155
Eating places	260	343
Furn. & appliances dealers	294	186
Building materials dealers	916	616
Drug stores	500	914
Jewelry stores	100	108
All other	934	690
Wholesale sales (000's)	556	517
Amusement places (000's)	69	100
Service trades (000's)	218	550

6. AGRICULTURE

	1945	1950
Land in farms (acres)	2,161,091	2,482,850
Number of farms	818	730
Avg. size of farms (acres)	2,642	3,401
Avg. value of land and buildings	$ 15,819	$ 42,293
Per cent operated by tenants	21	19
Farms with electricity	287	383
Motor trucks on farms	329	590
Tractors on farms	378	597
Cattle and calves on farms	77,258	102,818

	1944	1949
Cropland harvested (acres)	101,064	93,684
Farmland under irrigation	3,734	7,091
Value of farm products sold	$3,459,488	$8,236,515
All crops	539,497	1,258,464
Livestock	2,604,503	6,818,623
Dairy and poultry products	315,488	159,428
Farm operators working 100 or more days off farm	97	87

7. INCOME

Median income of families, 1949	$2,044
Per cent having less than $2,000	49.1
" " " $10,000 or more	3.6
Average weekly earnings 1949	$ 39.99
of insured workers 1950	51.08

8. UTILITIES

	1953
Clayton Municipal Light and Water	
Electric customers	
Residential	982
Commercial	243
Water customers	
Residential	912
Commercial	143
Clayton Gas Company	
Residential customers	874
Commercial & industrial customers	152
Southwestern Electric Coop. (REA)	
Customers	824

9. BANKING AND FINANCE

	1948	1952
Number of commercial banks (Dec.)	1	1
Individual deposits (thousands)	$ 4,473.9	$ 4,752.8
Demand	4,376.4	4,236.4
Time	97.5	516.4
Loans and discounts (thousands)	$ 1,667.2	$ 2,153.6
Number of bldg. (or savings) and loan companies (Dec.)	none	none
Total resources (thousands)	none	none
Loans outstanding (thousands)	none	none
Number of small loan companies	1	none
E bond sales	$156,842	$67,817
Postal receipts (1st & 2nd class offices)	$ 23,148	$31,204

10. COMMUNICATIONS

Newspapers	
Clayton News (weekly)	
Union County Leader (weekly)	
Radio Station KLMX (250 watts)	
Radio homes, 1953	1,770
Telephone stations, 1953	910

11. PUBLIC FINANCE

	1952
Assessed net valuation	$11,520,306
Property tax collections	234,011
School tax collections	114,032
County budget (1952-53)	
Estimated revenues and expenditures	103,657
Bonded debt	
County	none
Municipal and other	497,000

	1951
Tax rates - total	20.157
State	5.707
County	10.000
School districts	4.450
Municipal	---

12. PRINCIPAL TOWNS

	Population	
	1950	1953
Clayton	3,515	3,450
Des Moines	282	300
Folsom	206	200
Grenville	102	90

THE COUNTY AND THE STATE -- SOME BRIEF COMPARISONS

New Mexico with 6 persons per square mile is approximately three times as densely populated as Union county.

The median age for all State residents is 24 years, for Union county residents 25.3 years.

In 1949, 17.4 per cent of all families in the State had incomes greater than $5,000; for Union county the figure was 15.6 per cent.

In the State as a whole 93.1 per cent of all persons 7 to 13 years old were in school in 1950; in Union county 95.4 per cent were in school.

Of males 14 years old or older in the State, 76.7 per cent were in the labor force in 1950. In Union county 79.4 per cent were in the labor force. Of all employed persons in the State, 18.4 per cent made their living in agriculture. In Union county 41.5 per cent were in agriculture.

In 1950, 85.9 per cent of all homes in the State had radios, while 88.7 per cent of all Union county homes had radios.

The average value of land and buildings of all farms in the State in 1950 was $26,837; of Union county farms $42,293.

organization, located here because of the nearness of Sandia Base and Los Alamos. A great many of the officers assigned to the Center have college degrees in scientific and engineering fields, and nearly 3 per cent hold PhD degrees.

How Stable Are the Gains?

For some reason even businessmen who have felt the beneficial influence of these new activities are skeptical of their permanence. Business leaders insist, "We want *permanent* payrolls for New Mexico," as though Los Alamos, Kirtland, Sandia, and White Sands might fold up without notice. This possibility, some would say, makes it doubly imperative to attract private industry to New Mexico, so that any cut-off in defense spending would not leave the economy of the State sagging.

But our defense-industry base may not be as precarious as all that. Whatever their drawbacks, these government installations in New Mexico seem reasonably depression-proof. If they were cut back or eliminated, it would probably be from causes other than a business slump, causes not apparent in the national picture today.

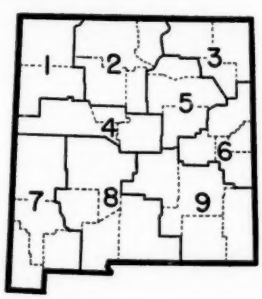
Mr. Timothy Shea, Vice-president of Sandia Corporation, says "Our military needs are going to continue for a long time. Meanwhile our industrial atomic arts will grow." And Sandia Corporation will grow in knowledge of this future industrial frontier.

It is, therefore, a worthwhile question to ask: what can our atomic and rocket installations do in a wholly civilian economy?

When this question is posed to federal officials, the first important fact to emerge is that the New Mexico installations are not necessarily or essentially factories for production. Primarily they are research and developmental centers. Intricate shop machinery and highly skilled production workers may be present, but the application of brains to

BUSINESS ACTIVITY IN NEW MEXICO

		Index	Per Cent Change Indicated Month Compared With: Preceding Month	Same Month Last Year
JULY DATA	(1947-49 Mo. Av.=100)			
Life Insurance Sales	"	222.7	na	+ 7.2
Bank Debits	"	177.7	+ 1.1	+ 17.1
Bank Loans and Discounts	"	140.5	+ 0.5	+ 6.4
Demand Deposits	"	146.3	— 0.2	+ 18.3
Time Deposits	"	167.8r	+ 1.6r	+ 17.8
Postal Receipts	"	181.5r	+ 9.6r	+ 11.4r
Wage Employment	"	136.5	+ 0.2	+ 3.7
Manufacturing	"	180.8	+ 1.8	+ 10.2
Mining	"	133.7	+ 1.3	+ 2.0
Transportation & Utilities	"	135.6	+ 1.0	+ 7.4
Trade	"	137.2	+ 0.2	+ 7.0
Finance	"	171.7	— 10.2	0.0
Services & Miscellaneous	"	128.5	+ 0.4	+ 3.0
Government	"	137.2	— 1.0	+ 1.3
Contract Construction	"	106.1	+ 3.1	— 6.3
Building Permits	"	247.0	+ 36.1	+ 4.9
Petroleum Production	"	163.4	+ 3.0	+ 14.8
Electric Power Production	"	200.2	+ 5.4	+ 23.2
Metallics Production—Total	"	82.6	— 2.2	— 36.4
Mine Production—Copper	"	118.2	+ 1.6	— 2.2
Mine Production—Lead	"	34.7	— 27.1	— 66.0
Mine Production—Zinc	"	34.5	— 13.5	— 77.2
Mine Production—Coal	"	29.3	— 19.5	+ 74.5
Mine Production—Potash	"	185.0	— 0.4	+ 14.5
All Farm Prices	"	92.1	+ 2.0	— 20.5
Livestock Prices	"	86.6	+ 0.8	— 28.7
Crop Prices	"	114.3	+ 5.2	+ 3.3
AUGUST DATA	(1947-49 Mo. Av.=100)			
Bank Debits	"	169.9	— 4.4	+ 6.9
Bank Loans and Discounts	"	128.2	— 12.4	+ 16.5
Demand Deposits	"	138.4	— 1.5	+ 3.6
Time Deposits	"	169.6r	+ 1.1	+ 16.7
Building Permits	"	229.5	— 7.1	+ 58.0
Postal Receipts	"	158.6	— 12.6	+ 8.6
All Farm Prices	"	90.0	— 2.3	— 20.6
Livestock Prices	"	85.9	— 0.8	— 26.6
Crop Prices	"	108.3	— 5.2	— 3.9
SEPTEMBER DATA				
Retail Food Prices in Albuquerque (Sept. 1949=100)		107.2	— 1.2	— 2.7



BUSINESS ACTIVITY BY DISTRICTS

District	1	2	3	4	5	6	7	8	9
Present Month Compared with Last Month									
Bank Debits	+ 0.7	— 6.9	+ 0.7	— 3.0	+ 4.8	—10.1	— 5.2	— 2.7	— 0.7
Loans and Discounts	—14.8	+ 0.3	+30.1	—12.2	—11.3	—10.4	—28.1	— 7.4	—18.9
Demand Deposits	— 0.2	—12.4	— 1.9	— 1.5	+11.4	+ 2.3	+ 1.9	+ 2.0	+ 1.1
Time Deposits	— 0.2	+ 0.3	— 0.2	+ 2.0	0.0	— 1.2	+ 0.7	+ 4.3	+ 0.5
Postal Receipts	+ 1.2	— 7.3	—10.4	—15.0	—23.3	—18.5	—16.9	—17.0	— 8.6
Present Month Compared with Last Year									
Bank Debits	+19.6	— 4.9	— 2.7	+12.0	+10.9	—12.6	— 1.9	+17.1	+ 6.9
Loans and Discounts	+ 1.0	+22.1	+ 2.5	+36.6	—21.1	— 2.6	— 8.0	+23.1	— 4.1
Demand Deposits	+13.0	+ 8.2	— 6.3	+ 2.1	+ 8.8	— 7.9	— 3.7	+ 8.7	+ 7.4
Time Deposits	+12.9	+13.9	+25.6	+17.3	+ 7.1	+26.0	+ 9.4	+31.6	+16.2
Postal Receipts	+22.2	+23.0	+ 4.4	+ 7.8	+ 0.5	+ 4.1	+ 1.7	+ 3.2	+ 5.6

Source of data:
Petroleum Production, and Potash Production: N. M. Bureau of Revenue
Life Insurance Sales (New Ordinary): Life Insurance Agency Management Association
Wage Employment (all categories): N. M. Employment Security Commission
Electric Power Production: Federal Power Commission
Metallics Production: U. S. Bureau of Mines
Coal Production: N. M. State Mine Inspector
Farm Prices: U. S. Bureau of Agricultural Economics
Bank Data (all series), Postal Receipts, Building Permits, and Retail Food Prices in Albuquerque: Bureau of Business Research

solve technical and scientific problems is the essential function of the laboratories and testing centers. So our heaviest postwar gains are not exactly in "manufacturing" as usually conceived.

A New Industry

It's this very fact that makes our postwar "manufacturing" development so significant. It has brought to the State the capital equipment, the personnel, and the management knowhow for what appears to be one of the nation's fastest growing and most important industries: Research.

Research and development is rapidly achieving status as a separate industry. In New Mexico it's not limited to Los Alamos, Sandia, Kirtland, and White Sands. Substantial numbers of research scientists and their aides are active at the Institute of Mining and Technology, the Agricultural College, the University, and the Lovelace Foundation, among others. A conservative estimate of all the people in the State working on physical science research projects would be in the neighborhood of 16,000. That's about 9 per cent of all nonfarm employment.

This postwar research has caused an influx of scientific research talent that makes New Mexico outstanding among its sister states. Before the war New Mexico had an unimpressive ratio of physical scientists to its total population. Today it has the highest ratio of physicists in the country: 37 per 100,000. Maryland, the second state, has 20 per 100,000. The roster of physicists for the State in 1951 was 251, for chemists it was about 450. Both may be higher now. Some 1,200 engineers are registered in the State, a ratio of engineers to physicists of about 5 to 1. We apparently have enough talent in these lines to staff almost any research project, military or non-military.

The federal projects in the State have leaned heavily toward new advances in electronics, the field which is providing automatic controls for industry and which promises to create a minor revolution in industrial processes. They've probably also been somewhat concerned with the application of atomic energy reactors to possible industrial uses. Other research organizations in the State are, among other things, doing research in the higher atmosphere, with crops and livestock, materials, medicine, and physiology. A detailed list, if available, would be quite lengthy, but it's clear that most of these activities have pretty direct industrial and commercial applications.

A Natural for New Mexico

So what happens to all this research talent and equipment if defense spending is curtailed? No one knows, of course, but it seems like a good bet that a lot of it will go right on doing what it's now doing. The current industrial demand for the products of atomic, electronic, atmospheric, agricultural, chemical, and medical research could keep these people busy for years. Considering the requirements of modern industry for the products of research, it looks as though New Mexico already has basic industry.

In many ways it's an ideal industry for New Mexico. Research has a high-value product with an almost world-wide market. Transportation costs are insignificant, so that it can locate almost without regard to its markets or its raw materials. It apparently has no unusually large demand for water, and fairly reasonable requirements for power. It can locate almost anywhere that it can attract its labor supply, and since it can and does pay relatively high wages, its natural location is where people find pleasant living. Capital requirements are fairly high, but once having got a start in an area, research may be expected to continue to attract capital and labor for itself and also for various auxiliary activities.

Viewed this way, our great gains in "manufacturing," together with our other research activities, are probably as stable as any industry can hope to be, perhaps more so. Moreover, this new industry is near-ideal in that it pays high wages, attracts desirable employee groups, has an industry-wide market, creates no unsightly litter on the landscape which we value so highly. Its growth has been an important factor in New Mexico's postwar prosperity. The prospects are good that it will continue to be a bulwark of the State's economy.

R.L.E.

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